

DISADVANTAGED BUSINESS ENTERPRISE (DBE)

**Program Overview & Recommended
Fiscal Year 2006 Goal**

**State Transportation Commission Meeting
August 2005**

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Presentation Highlights

- DBE Program Federal Legislation
- 2005 Accomplishments
- DBE Program Activity Long-term Goals
- Contract Dollars to DBE's
- Proposed 2006 DBE Goals



Disadvantaged Business Enterprise Program (DBE) Federal Legislative Requirement

Development of an annual Disadvantaged Business Enterprise (DBE) goal is required by U.S. Department of Transportation (USDOT) regulation 49 CFR 26.45.



Major FY 2005 Accomplishments

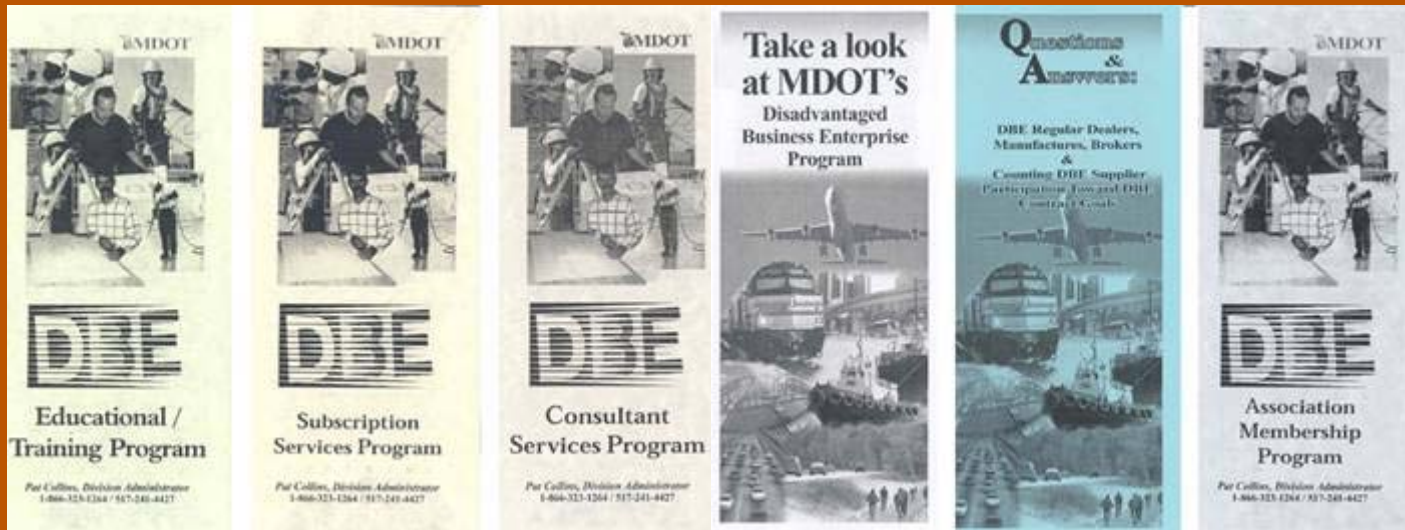
- Graduations
 - Whaley Steel
 - C&D Hughes
 - Materials & Testing Consultants, Inc.
- Held networking sessions
 - Over 200 participants
- Maintained partnering efforts with several organizations
 - Chambers of Commerce
 - Construction Association of Michigan
 - Michigan Minority Business Development Council
 - Chaldean Organizations
 - Association of Women in Construction
 - Michigan Infrastructure Transportation Association (MITA)
 - Native American Tribal Council's
 - The Hispanic Alliance
 - American Council of Engineering Companies (ACEC)
 - Asphalt Paving Association of Michigan (APAM)

Major FY 2005 Accomplishments

- Provided training to over 200 DBE's
 - Electronic Bidding
 - Entrepreneurship
 - Plan Reading
 - Bid Preparation
- Positive Performance Reviews by FHWA
- Participated in Business Opportunity Forums
 - Over 1,000 Participants
- Held meetings with each MDOT Region
 - Over 400 Participants
- Continued use of technology to maximize program delivery with existing resources

Major FY 2005 Accomplishments

- DBE Percentages on Consultant Contracts
- Held 25th Annual DBE Conference
 - Over 300 Attendees
- Unbundling initiative
 - 15 smaller projects
- Developed Several Publications



Long-Term Goals for the DBE Program

- Enable small businesses to become more competitive
- Increase awareness of MDOT's DBE program
- Continue compliance with Title VI of the Civil Rights Act of 1964
- Foster partnering efforts with associations, government agencies and the business community
- Provide opportunities for DBE's and private contractors to network
- Graduate DBE's from the program

Factors that will influence the FY 2005 & FY 2006 Program

- Changing subcontractor needs (renovation and repair)
- New transportation bill
- Need more DBE's in specialized areas
 - Bridge Repair & Painting
 - Pavement Marking
 - Milling
 - Electrical
 - Asphalt & Concrete Paving



Definitions

- Race conscious – contracts with DBE goals
- Race neutral – contracts with no DBE goal, but with DBE participants



2002 – 2006

Total MDOT DBE Participation

FY	Overall MDOT Goal	RN%*	RC%*	Federal Dollars No State Match	DBE Related Participation on Federal Only Dollars	DBE Goal Obtained on Federal Dollars Only	DBE Dollars Earned on Projects with Federal, State & Local
2002	11.00%	2.00%	9.00%	\$ 863,876,597.00	\$ 109,253,931.00	12.65%	\$ 112,786,037.00
2003	11.00%	2.50%	8.50%	\$ 751,816,288.00	\$ 83,082,021.00	11.10%	\$ 99,714,100.00
2004	11.00%	2.50%	8.50%	\$ 759,257,741.00	\$ 81,720,537.00	10.76%	\$ 106,656,926.00
2005*	11.00%	2.50%	8.50%	\$1,111,981,419.00	\$ 117,556,554.00	10.57%	\$ 150,945,755.00
2006*	11.00%	2.50%	8.50%	\$ 794,124,977.00	\$ 87,353,747.00	11.00%	\$ 111,991,983.00

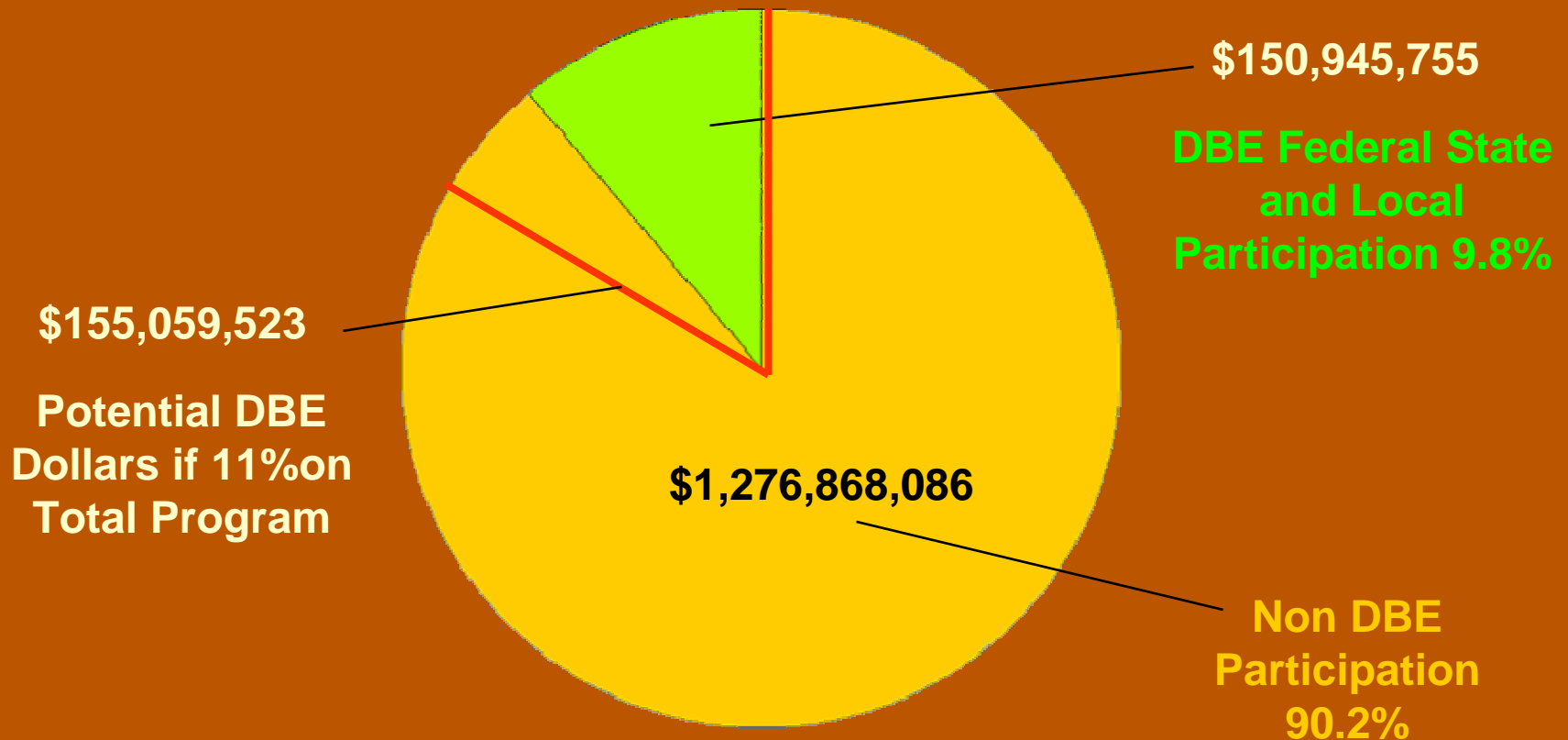
FY 2005 with projected 4th quarter
FY 2006 is a projection

*Race Neutral - DBE dollars earned on contracts with no DBE percentage

*Race Conscious - DBE dollars earned on contracts with a DBE percentage

DBE Dollars Earned (2005 Federal State and Local Dollars)

Total Program \$1,427,813,841



2005 DBE Participation

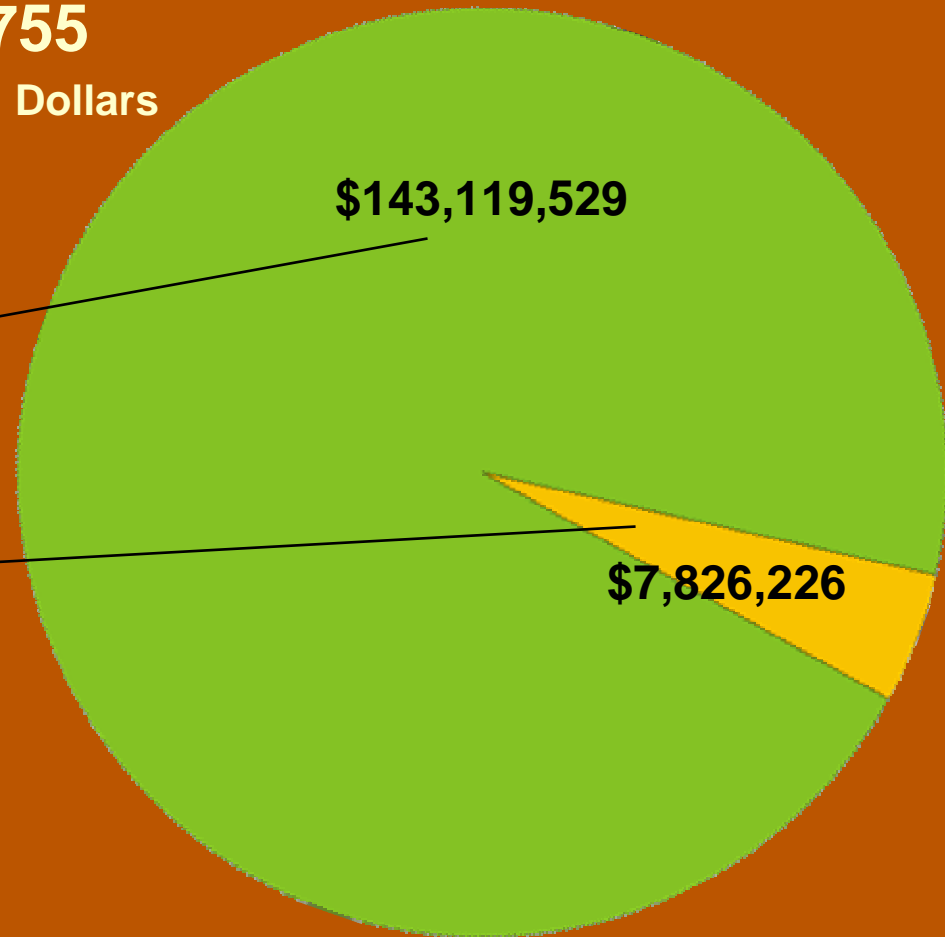
**Total Dollars Awarded to
DBE's - \$150,945,755**

Federal Dollars vs. State/Local Dollars

**DBE Awards on
Federal Program
Dollars (95%)**

**DBE Awards
on State/Local
Dollars (5%)**

DBE goals do not
apply



Summary

- In summary, we are making substantial program improvements.
- We recommend that the State Transportation Commission adopt an 11% DBE goal for FY 2006.



DBE Program Presentation

Questions?

